

The Kentucky Automobile Insurance Plan

a guide for consumers



What is the Kentucky Automobile Insurance Plan?

Created in 1947, the Kentucky Automobile Insurance Plan (AIP) is an association that distributes applications for auto insurance to companies licensed in Kentucky. Consumers unable to find insurance through the regular market may apply for coverage through the plan.

Who operates the AIP?

A nine-member governing committee of insurance professionals acts as the AIP policy-making body. All property and casualty companies doing business in Kentucky participate by funding the plan and insuring eligible applicants sent to them by the plan administrator.

Who buys insurance through the AIP?

Any Kentucky resident who has been refused automobile coverage in the competitive market can have his or her insurance agent or broker submit an application for insurance through the AIP. Insurance rates may be lower in the competitive market, and applicants are advised to shop around for insurance before applying for coverage through the AIP.

What coverage is available in the plan?

All coverage and amounts required by Kentucky law are available through the plan including: Body injury; property damage; no-fault; uninsured and underinsured motorist coverage for personal auto, motorcycles and commercial automobiles.

What are the AIP's eligibility requirements?

To receive coverage through the AIP, the applicant must:

- Certify that he or she has been refused automobile insurance coverage within the last 60 days
- Provide a premium deposit with the application
- Be a licensed driver
- Maintain his or her principal residence in Kentucky
- Have the automobile to be insured registered in Kentucky

How are claims handled by the Kentucky AIP?

The plan **does not** handle claims. If you are insured through the plan and suffer a loss, you must contact the insurance company to which you are assigned or your insurance agent to learn where to file your claim.

What if someone insured through the AIP finds a better deal elsewhere?

He should take it. The Kentucky AIP operates as an insurer of last resort, which exists for those applicants who are unable to obtain insurance from another source. Lower-cost automobile insurance policies may well be available in the voluntary market. Insured people who find they do qualify for coverage from another source may cancel with payment of the prorated share of coverage through the plan.

FACTS about the Automobile Insurance Plan

- More than 400 Kentucky insurance companies support and participate in the Automobile Insurance Plan.
- In most cases, personal automobile coverage purchased through the plan becomes effective at 12:01 a.m. on the date following receipt of the application and payment.
- Most commercial risk has a 15-day waiting period from the time the application and premium is received by the plan's office.
- The assignment letter issued by the Kentucky Automobile Insurance Plan will serve as proof of insurance in force. Retain this document for use when licensing your vehicle.

For more information, contact any licensed property & casualty agent in your area or write to:

Kentucky Auto Insurance Program, 9200 Shelbyville Road, Hurstbourne Park Building, Suite 605, Louisville, KY 40222 or call (502) 327-8909; (888) 222-7702; or on the Web at <http://www.aipso.com/ky/>

Kentucky Department of Insurance, P.O. Box 517, Frankfort, KY 40602-0517; (800) 595-6053; TTY: (800) 462-2081; (502) 564-3630; or on the Web at <http://www.doi.ppr.ky.gov>

Do you need information about insurance issues? Do you want to file a complaint? Do you know someone who has committed the criminal act of insurance fraud? Contact your state Department of Insurance.



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